



COINAGE OF THE AMERICAS

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The United States of America

COLONIAL COINAGES

The early settlements in the English Colonies in North America were not supplied with coinage because England expected the colonies to be self-supporting and in addition to use the proceeds of their produce to buy English goods. In the seventeenth and early eighteenth centuries the use of barter in small transactions and the use of wampum in trading with the Indians was sufficient for economic development in coordination with an extensive use of credit by wholesale merchants and their suppliers. The colonists kept their account books in pounds, shilling, and pence like the mother country, but soon the colonial exchange dropped in value relative to the English standard. The low prices of American-produced exports did not yield enough exchange, resulting in the inability of the colonies to meet payments in specie with reasonable promptness. The pound of one colony would differ in value from that of another colony as well as from the English pound and fluctuations discouraged a more extensive expansion of trade.

After Cromwell overthrew King Charles I in 1649 and continued in power, the Massachusetts Bay Colony authorized an issue of silver coins in 1652 containing $22\frac{1}{2}$ percent less silver than the equivalent coin in England. The reduced weight was intended to keep the coins from being exported to England, but it actually reduced the value at which the pieces circulated. The shilling, 6 pence, and 3 pence were coined by John Hull in Boston with dies made at the Saugus, Massachusetts iron works. At first the coins had only their denomination on one side and **NE** (New England) on the other. Subsequent issues contained the legend **MASATHUSETS IN NEW ENGLAND** surrounding a tree. The tree was first a willow, later an oak, and finally a pine so that the coins became known as pine tree money. All of the foregoing



174. Massachusetts Bay Colony
New England Shilling c. 1652





175. Massachusetts Bay Colony
Pine Tree Shilling c. 1670



176. Maryland Colony
1 Shilling 1658

denominations were dated 1652 during the thirty years of their coinage. The 1652 date was apparently retained because the colony recognized that it had no authority to coin money, and if criticized it wanted to create the illusion that the coins were principally made during the confusion in England in 1652. A twopence was minted in 1662 and bore that date. Shillings circulated in America at their intrinsic value for almost 200 years.

Lord Baltimore, the Proprietor of the Maryland colony, in planning its needs in 1658 had a similar series of silver coins struck in England in denominations of one shilling, 6 pence, and 4 pence (a groat) and bearing his portrait. There was also a penny struck in copper. The silver circulated until the Crown determined that no official permission had been given to coin it.

The first authorized governmental paper money of western civilization was issued in 1690 in Massachusetts Bay. The Chinese many centuries before had issued paper money which Marco Polo first saw in the thirteenth century, but no European government had followed that successful economic method of stimulating and simplifying trade. One by one each of the American colonies printed and issued its own paper money, often lending it out to settlers on land security and sometimes spending it for government civil or military expenses. Virginia preferred the use of tobacco receipts for money until 1755. Some colonial paper money issues were printed by Benjamin Franklin and others by Paul Revere. Some were printed from set type and ornaments while other issues were from American-engraved copper plates. Each piece was hand numbered and hand signed by from one to six persons. Denominations ranged from 1 penny to 100 pounds. Much of the paper was produced in America. Rag paper on which the bills of credit were printed was strong but because of the many years in circulation the bills often had to be patched by pasting, sewing, and pinning. English permission was required for their issuance and in spite of severe restrictions there were over 500 different issues of these bills of credit. The paper

money was customarily to be redeemed out of various tax collections, but deficit spending from time to time resulted in a depreciation in value in the period between 1730 and 1750 in most colonies. The penalty for counterfeiting was death but that did not stop extensive forgery of the currency.

The small change available for use in the English colonies in North America consisted chiefly of standard English halfpennies. The acceptance of these pieces, primarily in the northern and middle colonies, was not as halfpennies but as coppers at 12 to 18 to the colony's shilling. In 1681 Mark Newby brought to America some Irish halfpennies which bore the image of St. Patrick and had them authorized for use as money in New Jersey where he settled. In 1688 under King James II, a $\frac{1}{24}$ real (intended as a 1 farthing equivalent) was struck in England for the plantations in America in order to find a use for the tin mined in England, but circulation was very limited because tin money was not accepted by colonists.

From 1722 to 1724 the right to coin small money for America was granted by King George I to William Wood of London, with profits to be retained by the coiner. Under this franchise Wood coined tons of 2, 1, and half penny pieces from copper adulterated with zinc, silver, etc., and bearing the legend **ROSA AMERICANA**. These pieces were rejected as a fraud in New England, where their circulation was attempted, because they were not of pure copper. To counteract the attempted introduction from England of Rosa Americana coinage, Massachusetts Bay Colony issued its own small change printed on parchment. The penny was round, the two pence rectangular and the three pence hexagonal so as to be conveniently recognizable by shape. In 1737-1739 John Higley of Connecticut privately coined pieces made from locally mined copper, some of which had the denomination 3 pence and some had legends such as **VALUE ME AS YOU PLEASE** or **I AM GOOD COPPER**.

European and Spanish American gold and silver coins



177. Mark Newby New Jersey
St. Patrick Farthing 1682



178. Rosa Americana
2 Pence 1723



179. Higley Token
Copper 1737





180. Virginia Colony
1/2 Penny 1773



were obtained by the Americans from their trade with the West Indies and with the Spanish and Portuguese colonies in Central and South America. These coins brought a premium when bought with English Colonial exchange and were sought by the colonists as their only practical means of obtaining specie. Queen Anne, by a proclamation in 1704 and by a law in 1709, endeavored to support the value of English Colonial exchanges by fixing the maximum value in colonial money which could be given for European and Spanish American coins. This rate was known as proclamation money and set the Spanish dollar of eight reales equal to 6 Colonial shillings. The same coin could be bought for about 4 shillings 8 pence in English money.

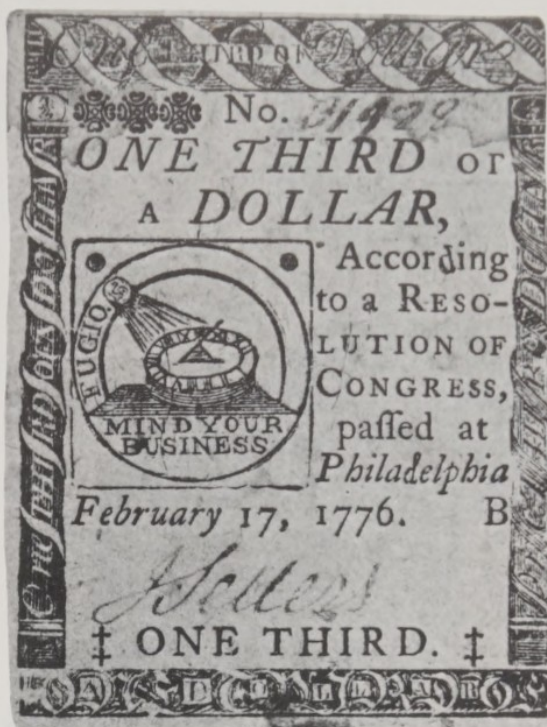
Rarely was any English, European, or Spanish American specie coinage furnished by England to its American colonies, even when their financial plight was severe. One such exception took place in 1749 when the accumulation of expenses of the Massachusetts Bay forces in expeditions against the French in Canada had almost forced the government of that colony to default on its paper money obligations to its own people. England after many requests sent 317 containers full of coins on the ship *Mermaid* consisting of ten tons of English half-pennies and farthings (many dated 1749) and 650,000 ounces of Spanish American silver coin having a value of £183,649. The Virginia colony had sought the right to issue coins for over one hundred years and finally succeeded in 1773 when the Crown granted consent to an issue of copper halfpennies with the head of King George III on one side and the Virginia coat of arms on the other. By the time the coinage was struck in England and sent to America, copper had depreciated in value. When the official arguments as to how to handle the problem were almost concluded, the American Revolution had already begun and copper was needed for war purposes. Some of the pieces did circulate extensively but most were never taken out of their original kegs.

During the eighteenth century in the French-con-

trolled areas in the Mississippi Valley, trading with the Indians was generally conducted by barter with manufactured goods given in exchange for furs. Lead smelted from surface ores added to the exports. In 1719–1720 when the fictitious prosperity of the Company of the Indies was promoted by John Law in France, the French paper money issued during this dream of prosperity was not circulated in America and thus the French economic collapse did not materially affect American monetary procedures. Thereafter, however, the French Colonial régime in New Orleans did issue paper money which circulated among merchants and traders in the Mississippi Valley trade, but no example of those issues appears to have survived. There are, however, private promissory notes usually payable in deerskin at the rate of $2\frac{1}{2}$ pounds of deerskin to the Spanish dollar, and their use extended into the nineteenth century. These were known as “Bons” and were usually issued in the spring for equipment and supplies for expeditions going upriver. When the furs were brought back the Bons were redeemed, some having been transferred to other owners in the interim.

The paper money was reasonably well controlled by the English colonies which issued it until the American Revolution forced the issuance of additional quantities for the cause of independence. To finance its activities the Continental Congress, representing all of the colonies in revolt, issued paper money which was spent primarily for military purposes. This was known as Continental Currency and Benjamin Franklin was one of the leaders in its development and design. Its fractional denominations ranged from $\$ \frac{1}{6}$ to $\$ \frac{4}{3}$; its integral denominations from \$1 to \$80, including such unusual denominations as \$6, \$7, \$8, \$35, \$55, etc.

Over 275 people in the Philadelphia area were selected from 1775 to 1779 to sign the Continental Currency. This was a detriment to authentication by the public but was psychologically most beneficial. The appointees were chosen on the basis of patriotism, and the participation by



181. Continental Currency
 $\frac{1}{3}$ Dollar 1776



so many in the issuance of currency ensured their loyalty in supporting its acceptance.

As in so many Revolutionary movements, only faith in the Continental Congress was pledged to the redemption of the Continental Currency. The Congress was without the power of taxation. The thirteen colonies (thirteen states after the Declaration of Independence) were expected to pay in their quotas of the obligations incurred, but each state was issuing its own paper currency and had its own redemption problems. Legal tender laws were difficult to enforce. The British forces felt that they could bring about a collapse of the rebellion more easily by counterfeiting the Continental Currency and authorized forgeries to be produced. They gave away quantities of counterfeits to people who would pass them, this being the first use of counterfeit paper money as a weapon in economic warfare. The entire value of Continental Congress as well as State (colony) money collapsed by 1779, due more to the excessive quantity issued rather than through counterfeiting, and was never paid. This gave rise to the expression "Not Worth a Continental." When Continental Currency became worthless in 1780, Benjamin Franklin subsequently described the effect of the collapse by pointing out that it paid itself off by depreciation and operated as a tax on those who could best afford to pay.

The Continental Currency from its first issue in 1775 was payable in Spanish Dollars because those silver coins were a standard in world trade. It was felt that an American issue of Continental Dollars in silver would have a stabilizing effect on the paper currency and dies for such an issue were prepared in 1776 by Elisha Gallaudet, a New York engraver. The rebus *Time Flies So Mind Your Business* was copied from the 17 February 1776 fractional Continental paper money. There was a discontinuance of issues of paper money of the one dollar denomination so that the coin could be substituted. Patterns in tin were prepared apparently for the purpose of obtaining Congressional approval, but a lack of available silver made a



182. Continental Currency
1 Dollar 1776



formal submission to the Continental Congress purposeless. There were therefore no American coins minted during the American Revolution, although New Hampshire and Massachusetts each considered copper pieces in 1776 and patterns were prepared.

After the 1783 treaty recognizing American Independence, there were efforts by the Continental Congress, the States and private persons to establish coinage for American use. Gouverneur Morris in 1783 had silver patterns prepared for coinage on the basis of 1440 mills to the Spanish American dollar with the largest coin to be 1000 mills or 1 mark. Jefferson opposed this principle as impractical and wanted the American coinage to be decimal, using the Spanish American dollar as a base for 100 cents. The basis for specie coinage was not agreed upon until 1791 when Alexander Hamilton refined Jefferson's theory. However, Morris unofficially had long before promoted his theory by arranging for copper pieces about the size of English halfpennies to be minted in England in 1783 and 1785 bearing the motto **NOVA CONSTELLATIO**. These circulated freely without any denomination, primarily in New York.

The states of Vermont, Connecticut, New Jersey, and Massachusetts each franchised private groups to produce copper coinage and enormous quantities were minted in those states from 1785 through 1788. New Jersey on its pieces used the motto **E PLURIBUS UNUM** which has continued on United States coinage to the present time. The principal design on the 1785 Vermont coppers featured Vermont by word and symbol as the fourteenth star in the constellation of American states. Yet the Vermont coppers dated 1787 and 1788 show a bust in the style of George III and a figure of Britannia holding a British shield. These British insignia did not indicate any loyalty to England. They occurred because the mint at Machin's Mills in New York used the same hub punches for making Vermont dies as were used for making counterfeit British halfpenny dies. The legends were changed but not the designs. In some cases, however,



183. Nova Constellatio
1 Cent 1785



184. New Jersey
1 Cent 1786



185. Vermont
1 Cent 1788



false halfpenny dies themselves were used in combination with Vermont dies in striking Vermont coinage.

Because of the low intrinsic value of copper in the English halfpenny compared to its circulating value in England, substantial amounts of counterfeit halfpennies were coined in England for about fifty years ending in 1788. England made only a feeble effort to suppress the counterfeits and failed to supply enough genuine pieces for the country's needs. Quantities of these counterfeits were sold from time to time to merchants at a discount to bring to America for circulation. These circulated on a par with genuine English halfpennies in the central and northern American colonies. To avoid the English counterfeit laws the legends on some of the counterfeits were modified resulting in what were called evasions. America was not sent any of the evasions for circulation because regular counterfeits were not often objected to. When the Revolutionary War was concluded and British counterfeit coppers continued to be shipped to America, Yankee ingenuity helped to inaugurate American-made English counterfeit halfpennies. Most of these counterfeits were dated 1784 through 1788, dates for which no genuine English halfpennies had been issued. Others were antedated to as early as 1747 and some were antedated from 1771 through 1776. The primary source of these coins was the mint of Thomas Machin, at Orange Lake, near Newburgh, New York, where visitors were not welcome at his so-called hardware manufactory. It was almost as profitable for a coiner to have a franchise to mint copper coinage on behalf of an American state as to make counterfeit halfpennies. A New York official report in 1787 pointed out the fraud on the public in granting copper coinage franchises and thus New York refused to grant any.

In 1787 Ephraim Brasher, a New York jeweler who had unsuccessfully sought the New York copper coining franchise, used the dies he prepared to strike gold pieces. This coin is known as a Brasher doubloon and has a counterstamp of the coiner's initials on the reverse design.



186. Brasher Doubloon
Gold 1787



While the Federal government was struggling to solve its many problems brought about by independence, the Continental Congress, in 1787, contracted with James Jarvis to coin official cents in copper. The contract was obtained by political influence and there was no provision for supervision. Jarvis obtained the government's supply of copper on credit and went to Birmingham, England, to arrange for Matthew Boulton to produce the American copper cents. Boulton's new minting machinery was available but Boulton's terms of cash in advance could not be met. The security of a contract with the United States government was not acceptable to him. Jarvis and his father-in-law, Samuel Broome, and his uncle, Jeremiah Platt, were at that time partners with others in a company coining Connecticut coppers in New Haven, Connecticut. Because the New Haven mint was restricted from being used for Federal coinage, Jarvis, after a substantial delay, tried to fulfill his commitment by coining some Federal cents in New York City. By the time the first of these "Fugio cents" were minted there was a drop in the value at which the public accepted coppers, and Jarvis not only failed to complete his contract but defaulted in payment for the copper furnished by the government.

Private copper tokens joined the other coppers during this period because all of them were circulating at higher than their intrinsic value. The entire copper circulation in America became such a glut on the market by 1789 that the acceptability of copper as a circulating medium ceased for several years.

There was a new start in the issuance of paper money by the individual states from 1781 through 1788 and these issues were redeemed in most instances. This type of currency was made unlawful under the Constitution of the United States in 1789, and even the Federal Government was not granted the constitutional right to issue paper money because of the losses that the people had sustained during the Revolution. The Constitution did, however, continue the power of the Federal Gov-



187. United States
Fugio Cent 1787





188. Washington Piece
1 Cent 1791



ernment to coin money, a right it had under the Articles of Confederation adopted in 1777.

While the people of the United States were in need of a stabilized small change, the coiners of England hoped their advanced coining techniques might secure for them the right to coin United States money under contract. In 1791 copper 1 cent pieces were struck in England bearing the head of Washington with the legend **WASHINGTON PRESIDENT**. They were of sufficient size not to be rejected in America for having too little intrinsic copper value. They were available for purchase by the government but if that failed they could be sold at a discount to private merchants. In 1792 a formal presentation of similar Washington pieces was made to United States officials in the hope that the new designs might receive approval, a gold example having been given to President Washington to stimulate his enthusiasm. Peter Getz of Lancaster, Pennsylvania, submitted an American half dollar pattern with the legend **WASHINGTON PRESIDENT I**, the numbering of the presidency being suggested by the numbering of English kings having the same first name. A debate occurred in the Senate of the United States on the matter of the use of the Washington bust and name and, apparently at Washington's suggestion, a conclusion was reached rejecting any personal reference to the president or to the presidency on United States coinage.



189. Washington Piece
1/2 Dollar 1792